

WIOA Task Force/Subcommittee	Local Governance and Sectors
Recommendation	<p><i>In order to answer the question, “How would we know if sector strategies make a difference?” the Steering Committee (Local Governance and Sectors Subcommittee) recommends that the Workforce Training and Education Coordinating Board (Workforce Board):</i></p> <ul style="list-style-type: none"> • <i>Convene a work group to develop a rubric aligned to the Workforce Board approved sectors framework. The rubric will be used by local areas as part of their regional/local plans to identify their status in the implementation of targeted sector initiatives, their plans to advance local initiatives and as a, tool to track the specific outcomes of sector activities. The rubric would be updated every two years as part of local plan submissions or updates, and would provide the Workforce Board with data on the implementation and outcomes for sector initiatives.</i> • <i>Use the rubric and reporting based on the rubric as a mechanism to promote continuous improvement and learning.</i> • <i>Provide formal training for local practitioners on the implementation of sector strategies and the use of the rubric to create greater consistency and expertise.</i>
Background	<p>The Local Governance and Sectors Subcommittee was asked to recommend guidance regarding sector strategies, industry engagement and local sector targeting. The state board approved the initial components of a sectors framework forwarded by the subcommittee in May. Remaining deliverables included a recommendation on how the state board would know if the investment in sectors made a difference.</p> <p>The performance outcomes for sector strategies are the same as for other economic development and workforce activities:</p> <ul style="list-style-type: none"> ○ Did people get and keep jobs? ○ Did people get and increase wages? ○ Were businesses retained or grown? ○ Did the job seeker and the business have a positive experience? <p>No additional statewide performance measures are needed for sector strategies.</p> <p>Discussion with data and labor market experts clarified that direct causal links between sector strategies and statewide performance improvements are impossible to prove. However, the result of sector strategies can be and often are tracked at the local level. In order to roll this information up to a statewide level, a common</p>

	<p>approach to sector strategies and reporting tool is needed. Local sector experts identified the lack of consistency in the implementation of sector strategies as a challenge to learning across and even within local areas.</p> <p>Therefore, it was recommended that a rubric be developed and incorporated in the state strategic plan. The rubric would provide</p> <ul style="list-style-type: none"> ○ Common definitions ○ Clarification of the steps needed to implement a sector strategy ○ Criteria that would help a local area identify, track and map it progress throughout a sector project ○ Sample outcome measures and a tool for tracking sector specific outcomes. <p>Local areas/regions would complete a rubric for each targeted sector as part of their strategic plans, and would update their progress every two years as part of local/regional plan reviews. The rubric would include a template for tracking and reporting outcomes that could be compiled across regions/areas to give the board and the locals a better understanding of the results obtained. This approach also recognizes that the implementation of sectors is a learning opportunity. Locals should not be penalized for taking risks to address industry needs. Sector strategies are most effective as a way to gain more precise, actionable information to better fill the needs of employers and job seekers.</p> <p>Sample rubrics are included to help committee members visualize what a rubric for sectors might look like.</p>
<p>Who was engaged in this process? <i>(Please provide a list of subcommittee or task force members and who they represent)</i></p>	<p>The members of the Sectors Task Force:</p> <p>Katie Mirkevich, DSHS/DV Tracey Schreiber, SWWDC Elizabeth Iaukea, OSOS/WSL Sean Murphy, Pac Mtn. WDC Kathy Goebel, STCBC Alex Pietsch, Commerce Bryan Pannell, SeaKing WDC Dave Wallace, WTB Agnes Balassa, ESD Jennifer Peppin, ESD Carolyn McKinnon, Commerce</p> <p>Members of the Performance and Accountability Subcommittee: Dave Pavelchek, Workforce Board Scott Wheeler, ESD</p>
<p>What, if any, is the minority recommendation?</p>	<p>N/A</p>
<p>Are there any unresolved issues?</p>	<p>N/A</p>

Sectors Framework (approved by WTECB on 5/28/15)

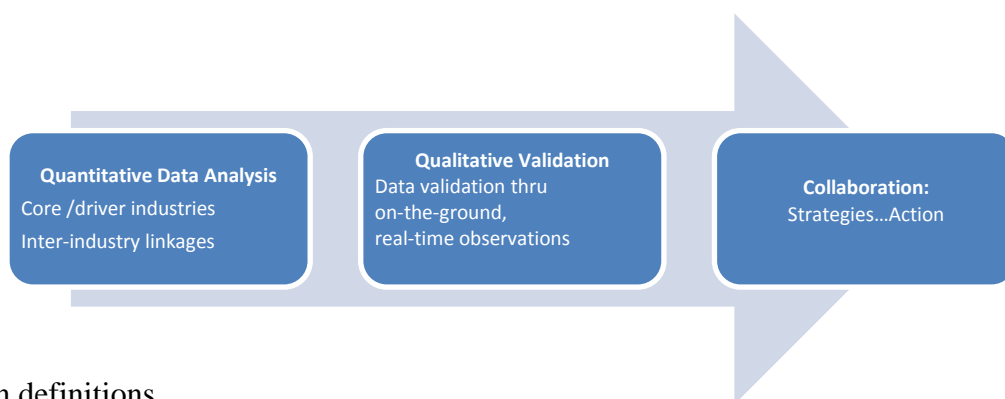
Guiding Principles

- Sector strategies are but one of many strategies for workforce and economic development.
- Statewide and local sector strategies can co-exist in mutually-reinforcing and beneficial ways. They are not mutually exclusive of one another.
- Critical factors for identifying sectors to be targeted for sector strategies include employment opportunities (*including opportunities for those with barriers to employment*), wage levels (including career and wage progression potential), and the economic impact of the industry.
- Because policy objectives vary, workforce and economic development partners may work from different lists of targeted sectors. That being said, collaboration and coordination is imperative when economic and workforce strategies target the same sectors.
- Nascent or emerging sectors, as well as mature or plateaued ones, have a role in workforce and economic development initiatives.
- Both traded sectors and local services sectors have a role in workforce initiatives. Traded Sectors generally include export or innovation-based industries – agriculture, manufacturing, scientific Research and Development. Local services sectors are more population-based. Retail, health care, educational services, food services, public administration – tend to locate based on population and are prevalent in almost all communities.
- Targeted sector lists should be updated periodically to keep pace with changing economic conditions.
- As sector strategies are developed, there should be an emphasis on data-driven outcomes (e.g., employment placements) *for businesses, job seekers and workers, including individuals with barriers to employment.*
- Sector strategies are developed,

Process and criteria for identifying and prioritizing target sectors

- Conduct quantitative data analysis: Identify core/driver industries and inter-industry linkages. Measure and rank criteria relating to industry concentration, employment, and opportunities for wage and career progression. Criteria should include, but not be limited to:
 - Industry concentration – Using employment location quotient for the local area relative to the nation. (Possible Data Sources: *ESD's Quarterly Census of Employment and Wages*, *Bureau of Labor Statistics location quotient calculator at http://data.bls.gov/location_quotient/ControllerServlet*)
 - Recent and projected employment growth – Looking for positive projected growth potential. (Possible Data Source: *ESD's employment projections for projected data and ESD's Quarterly Census of Employment and Wages for recent employment data*)
 - Opportunities for wage progression – As indicated by range between 25th and 75th percentiles in wages observed within a given occupation in the sector (Possible Data Source: *ESD's Occupational Employment Survey wage data.*)

- Opportunities for career progression – As indicated by percent of occupations in the middle- and high- wage ranges and other indicators of occupational mobility within a given sector. (Possible Data Sources: *ESD's occupational wage data and industry-occupation matrix.*)
- Conduct qualitative validation: Validate quantitative findings through conversations with industry (business and labor) and regional economists. Criteria may include just should not be limited to:
 - Quantitative factors such as employment projections relating to retirements and turnover; output; earnings per worker; commuting patterns; change in establishments; change in wages; exports as percent of output; traded versus local services sectors. (Possible Data Sources: *ESD's Employment projections, Bureau of Labor Statistics national replacement rates for occupations at http://www.bls.gov/emp/ep_table_110.htm, comparisons between job openings and numbers of unemployed from sources like Help Wanted on Line at <https://fortress.wa.gov/esd/employmentdata/reports-publications/occupational-reports/employer-demand-report>, Department of Revenue's Quarterly Business Income at <http://dor.wa.gov/content/aboutus/statisticsandreports/TID/StatisticsReports.aspx?query=gbiniaics>, commuting patterns from the Census Bureau's county to county migration flows, change in establishments and changes in wages reported on ESD's Quarterly Census of Employment and Wages; Occupational Employment Survey.*)
 - Qualitative Factors such as industry-recognized certifications and related opportunities for career progression, policy/regulatory/legislated issues, resources at-hand, and factors of chance and special circumstances, as identified by companies within the sector.
- Develop strategies for action through collaborative planning with economic development, business and education partners.
- Define intended outcomes and measure results.



Common definitions

- Sector: A group of industries with similar business processes, products or services like construction or health services; formerly categorized by the Standard Industrial Classification (SIC) system, now categorized by the North American Industry Classification System (NAICS). Traded sectors – those that produce goods - often locate where near the resources

necessary to create products, while local services sectors – retail, healthcare, education - tend to exist throughout the state since these are population based.

- Industry Cluster: A geographic concentration of interdependent competitive firms that do business with each other, including firms that sell inside and outside of the geographic region as well as support firms that supply new materials, components, and business services. (RCW 43.330.090)
- Targeted Industries or Clusters: Industries and industry clusters that are identified based on a strategic economic development consideration or other public concerns.
- High Employer Demand Program of Study: Postsecondary or Industry Recognized Certificate or degree program in which the number of students prepared for employment per year (from in-state institutions) is less than the number of projected job openings per year in that field—statewide, or in a sub-state region.
- High-Demand Occupation: An occupation with a substantial number of current or projected employment opportunities.
- High Student Demand Program of Study: Postsecondary or Industry Recognized Certificate or degree program in which student demand exceeds program capacity.